

### ILLINOIS CENTRAL CAR REPAIR FRAUDS

Ex-President of Ostermann Manufacturing Company Related Sensational Story.

#### GRAFTING VERY EXTENSIVE

Railroad Officials Held Stock in His Company and Drew Big Salaries.

Chicago, Sept. 28.—Henry C. Ostermann, former president of the Ostermann Manufacturing Company, who is said to have been a big factor in the Illinois Central railroad car repair frauds, related a sensational story of the inside workings of his concern before Municipal Judge Bruggemeier today.

Ostermann was called as a witness for the prosecution in the conspiracy hearing against Frank B. Harriman, Charles L. Ewing and John M. Taylor, former Illinois Central officials, charged with participating in extensive car repair scandals.

The testimony involved not only the names of the three men now on trial but extended to a dozen others who formerly occupied positions of trust with the railroad.

#### RAVN IN ALLEGED RING.

The late Ira G. Ravn, who was mysteriously shot to death at his summer home last July, was named by Ostermann as one of the chief figures in the alleged graft ring.

Ostermann declared that Ravn, when vice president of the Illinois Central, was given 1,500 shares of stock in the Ostermann Manufacturing Company, and that this was increased to 2,700 shares. He said that Ravn sold this stock to the Ostermann plant at par, or \$1 a share.

After he had sold the stock back for \$13.00, the witness testified, Ravn demanded and got, first \$5, then \$10 and finally \$15 for each car repaired, or alleged to have been repaired at the Os-

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termann plant, Ostermann testified that he personally made one payment of \$16,500 to Ravn, which he said was for 700 cars upon which the concern had collected repair bills.

In addition to the payment per car as to Ravn, said Ostermann, a fixed monthly sum was paid certain officials and a 2 per cent per month dividend was paid on large blocks of Ostermann Manufacturing Company stock held by Illinois Central officials.

"What Illinois Central officials held stock in your company?" Ostermann was asked by Atty. Walter L. Fisher, counsel for the railroad.

"Ira G. Ravn had 2,700 shares, Frank B. Harriman had 2,200 shares, John M. Taylor had 1,500 and then 5,000 shares, Joseph E. Baker had 2,200 shares, William Renshaw had 1,500 shares and W. J. Taylor had 500 shares. S. P. and Mildred Harriman had 100 shares each, but I do not know who they are or whether they were connected with the Illinois Central company, their stock being bought and paid for by Frank B. Harriman."

#### GRAFTING THROUGH SALARY.

"Frank B. Harriman received \$1,000 monthly, Joseph E. Baker \$1,000 monthly, William Renshaw was paid \$500 monthly, W. J. Leamy, \$100; R. M. Dunlap, \$100; R. D. Hanson, \$25, and F. A. Jones got \$100 on at least one occasion that I know of personally."

Ostermann then told of the organization of his company and how the men who helped him get started were later "turned down" to favor certain Illinois Central officials.

Ostermann first secured a patent on a special door for boxcars. To get money to market the enterprise, he went to his old friends, to brakemen, conductors, yardmen and other railroad employees. Many of them purchased stock in the concern with their savings. They paid par value for the stock, but were never given anything but a nominal dividend upon their investment.

"The idea of going into the car re-

### National Irrigation Congress Holds Its Eighteenth Session at Pueblo.



Interior of Mineral Palace. Arthur Hooker, Secretary. B.A. Fowler, President. Post Office.

#### CHARGED WITH USING MAILS TO DEFRAUD

New York, Sept. 29.—On complaint of the postoffice department Morris Lunden, engaged in business in this city under the name of the Jupiter company, importers and brokers, is held in \$1,300 bail here to answer the charge of using the mails to defraud, Norwegians and Sweds are said by the postal authorities to have been his victims.

The specific complaint against Lunden is made by Frederick Andrews of Laporte, Ind. He told the authorities that on Sept. 1, Lunden wrote him in the name of the Jupiter company saying a valuable package sent him from Sweden was held at the customs house for freight charges and duties amounting to \$2.35 and that the company said Ostermann, I saw Harriman at his office and we had a talk about the stock.

I refused to sell Harriman a block of stock at that time, because I would thereby lose the controlling interest in the company. Instead of selling Harriman the stock, I came to an agreement whereby I was to pay Harriman \$1,000 a month. I paid this amount in person, sometimes in checks and in cash sometimes.

"Some time after this I had a talk with Baker, and he suggested that I pay over some money to the 'old man' (Mr. Ravn). I asked him how much and he said about \$5 a car for every car repaired. Later Baker said Mr. Ravn felt they ought to have a little more money on the cars. Baker said I ought to know what it would mean if I did not give it. Baker said that other repair companies were doing it, and that he had to take his orders regarding the placing of repair contracts from those above him. In this way the payments for car was raised to \$10 and then to \$15."

During the period that the alleged grafting was going on, Ostermann said, he handled each deal in person and thereafter the companies were doing it, and that he had to take his orders regarding the placing of repair contracts from those above him. In this way the payments for car was raised to \$10 and then to \$15.

"The idea of going into the car re-

was made after extensive laboratory tests on Angel Island, has been carefully guarded by Dr. Glover and his assistants, who have been engaged in the work of analysis for the last four weeks.

For the last few months Hindus have been entering this port at the rate of over 300 a month.

#### FREDDIE GEBHARDT'S ESTATE VERY SMALL

New York, Sept. 29.—The will of the late "Freddie" Gebhardt was filed for probate yesterday. The petition sets forth that the one-time society leader died worth "less than \$10,000." It bequeaths the entire estate to Mrs. Mary Isabella Neilson, Mr. Gebhardt's sister.

#### STEAMSHIPS FOUNDER, HUNDREDS DROWNED

Victoria, B. C., Sept. 29.—Several steamship disasters with heavy loss of life resulted from severe storms in Japanese and Chinese waters shortly prior to the sailing of the steamer Sade Maru, which arrived here yesterday. The steamer Tayei Kiso Maru plying between Amoy and Choo Choo, went down and 200 passengers, many Chinese, were drowned. The river steamer Ansin Maru collided with a bridge on the Sannan river near Nagasaki and foundered, 50 of the 80 persons being drowned. The Osaka Shosen coasting steamer Kikikiwa Maru went ashore Sept. 5 near Chino Island, Wakayama, and her crew was rescued with difficulty by fishermen.

#### NO NAVAL EXPANSION FEVER IN JAPAN

Tokio, Sept. 14, via Victoria, B. C., Sept. 29.—The authorities deny reports of a recurrence in Japan of the naval

expansion fever that marked the policy of the government three or four years ago and brought about much outside criticism and suspicion. The total increase in the naval expenditures for the current year contemplated in the budget, it is pointed out, is less than 5,000,000 of gold dollars.

The minister for the navy says the navy requires this year a very large amount of upkeep and that as a matter of fact the expenditure by Japan for the last two years has been entirely inadequate to maintain her navy at its proper standard.

#### AMERICAN OLIVE CO. PLANT BURNED

Los Angeles, Cal., Sept. 29.—The plant of the American Olive Company, said to be the largest of its kind in the world, was totally destroyed by fire early this morning, entailing a loss of \$300,000. One hundred thousand gallons of olive oil valued at \$2 a gallon and \$250,000 worth of olives were consumed.

#### 45-MINUTE SERVICE.

To Ogdun via O. S. L., for Inter-Mountain Four State Fair and Inter-Mountain Good Roads Convention. Tickets on sale Sept. 22 to 29th inclusive, limited Sept. 30th. Round trip \$1.10. City Ticket Office 155 Main Street.

#### THE SPIRIT OF "MORMONISM"

permeating an interesting story ought to make good reading. "The Castle Builder," by Nephth Anderson, author of "Added Upon," is just such a book. It is printed and bound and well worth the price, cloth 75c. For sale by the Desert News Book Store.

### MANCHURIAN BANDITS CAPTURE MERCHANTS

Victims Fifteen Wealthy Chinese From Whom Money, Arms and Ammunition Were Taken.

Victoria, B. C., Sept. 29.—Manchurian bandits made a raid on the town of Newchwang, at the mouth of the Liao river, early this month and carried away 15 wealthy Chinese merchants to be held for ransom, according to advices received by the steamer Sade Maru, which arrived from the Orient yesterday. The bandits stole \$30,000 from a bank and secured large stores of arms and ammunition. The brigands, of whom there were 300, retired to a stronghold in the mountains near Antanshan.

When the steamer left Japan the bandits were surrounded by 600 troops and police from Haicheng and Liao Yang. Operations against the brigands began on September 5, when a number of pickets and two detachments were captured.

The brigands have a large store of food in the temple buildings in the mountains and have settled down to withstand a siege. Artillery was being sent from Mukden. A company of Japanese frontier guards who joined the Chinese and sought to assist in the attack were ordered to return by the Chinese.

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NEW LIGHT ON SUICIDE OF REV. ARTHUR W. LITTLE. Chicago, Sept. 29.—New light was thrown on the suicide of Rev. Arthur W. Little, rector of St. Mark's Episcopal church in Evanston, last night, when it became known that he himself had been compelled to take treatment in a sanitarium at Neosho, Wis., for three weeks last January.

COUNTERFEITING PLOT NIPPED IN THE BUD. Tacoma, Wash., Sept. 29.—A counterfeiting plot hatched in Folsom penitentiary in California was nipped in its fruition here last night when the police raided a private residence, arrested three ex-convicts and confiscated 25 molds and sufficient material to have turned out \$50,000 in spurious money.

SIX NEW PROFESSORS FOR YALE UNIVERSITY. New Haven, Conn., Sept. 29.—With the opening of Yale university today for its two-hundred and eleven anniversary six new professors take up the work of their classes. Of the three are connected with the graduate school.

G. W. PATTEN LEFT FORTUNE OF \$5,000,000. Chicago, Sept. 29.—George W. Patten, the millionaire grain operator who died last night of tuberculosis at the home of his brother, James A. Patten, in Evanston, left a fortune estimated at \$5,000,000, the greater part of which, it is said, will be left to public charities, including a large donation for the furtherance of the anti-tuberculosis campaign.

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Profit Sharing Sales for Friday. Ladies' Union Suits. Infants' Silk and Wool Hose. Novelty Dress Goods. Men's Furnishings Specials. Boys' Suit Specials. Ladies' Silver Purses. Dressing Sacques. Shoe Specials. The "Eppo" Petticoat. A DEMONSTRATION. PRESENT STYLES DEMAND A FITTED PETTICOAT. TRY THE NEW FITTED PATENTED "EPP" PETTICOAT.

The Bradford Clothes Shop. Requests the pleasure of your presence at the Opening of their New Clothes Shop. For Men and young men. 116 South Main St., Friday Evening, September thirtieth, nineteen hundred and ten, from seven until nine. Orchestra.